

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA**

DAVID R MCCONATHY and LYNN  
MCCONATHY,

Plaintiffs,

v.

GATEWAY BUSINESS BANK, et al.,

Defendants.

3:09-CV-00665-RCJ-(VPC)

**ORDER**

The Court stays all proceedings in this case for the following reason. At the end of last year, the United States Judicial Panel on Multi-District Litigation, (the "Panel"), consolidated numerous cases in which plaintiffs allege that Mortgage Electronic Registration Systems, Inc., ("MERS"), engaged in improper business practices when processing home loans. The Panel assigned Judge Teilborg in the District of Arizona to oversee these cases, and he will preside over all issues (discovery, dispositive motions, settlement) except for trials. *In re Mortgage Electronic Registration Systems (MERS) Litigation*, MDL No. 2119 (Dec. 7, 2009). In its decision to create this multi-district litigation, the Panel consolidated nine cases from Nevada, but noted that additional "tag-along" cases with similar factual issues could be added to the list of consolidated cases.

Following the Panel's decision, MERS moved to add numerous "tag-along" cases to the multi-district litigation, one of which is the case currently before the Court. The Panel granted MERS' requests, but only as to those individual claims that "relate to the formation and/or

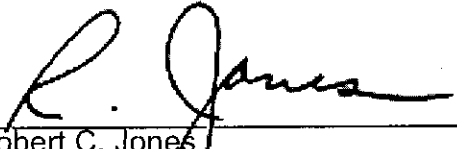
1 operation of MERS." The Panel further indicated that "all claims in these actions that are  
2 unrelated to the formation and/or operation of the MERS system are separately and  
3 simultaneously remanded" to the district court in which they were first brought.

4 In light of the Panel's decision, MERS and the many individual plaintiffs in these cases  
5 have filed motions with Judge Teilborg in which they dispute which claims should be part of  
6 the multi-district litigation and which should be sent back to their original locations. Judge  
7 Teilborg will be deciding this issue once the matter is fully briefed. Because of the high volume  
8 of cases involved in these motions, it will be a number of months until Judge Teilborg has ruled  
9 on all of the issues affecting this case. Accordingly, the Court hereby stays all proceedings  
10 in this case. The Court will address the motions in this case in the event that Judge Teilborg  
11 remands claims back to this Court.

12 **CONCLUSION**

13 Accordingly, IT IS ORDERED that all proceedings in this case are STAYED pending  
14 Judge Teilborg's order to remand back to this Court.

15 DATED: This 21<sup>st</sup> day of April, 2010.

16  
17  
18   
19 Robert C. Jones  
20 UNITED STATES DISTRICT JUDGE  
21  
22  
23  
24  
25  
26  
27  
28